39. *Clay Refining and Porcelain Factory.*—The construction of the buildings for the factory is in rapid progress and the machinery is being fitted up. It is expected that the factory will actually begin to work very shortly. The total expenditure on account of the buildings and the machinery would be about Rs 4·74 lakhs at the close of the current year and a provision of Rs 1·35 lakhs has been made in the next year's budget for the completion of the buildings and machinery and the refining operations. A net revenue of Rs ·95 of a lakh is expected in the next year. This works up to 15 per cent. on the capital outlay.

40. *Commercial Transport.*—This scheme which was announced at the Budget Session of the Assembly and the Council last year, began actually to function in Kumbhom last with a fleet of 59 buses and 1 break-down lorry. Service was first started on the Trivandrum—Nagercoil—Cape and Nagercoil—Colachal routes. Later on, the Trivandrum Town Service and the Trivandrum – Nedumangad service were also taken up by the Transport Department. Just 3 days back *i. e.*, on the 5th of Karkatakam, Trivandrum—Quilon route also began to be served by the State Transport Scheme. On the whole, about 110 miles, besides the Trivandrum Town are now under operation. It is proposed to take over some of the feeder routes of the main Trivandrum—Cape Road for operation in the course of the next year. Negotiations for taking over the Transport business of the K. D. H. P. Co., have been practically completed. The investments up-to-date amount to Rs 5·85 lakhs and the net receipts for the current year after providing for interest on capital and depreciation, are expected to be Rs 1·15 lakhs. Government have every reason to hope that the scheme would give a substantial income on their outlay besides affording improved conveniences, and facilities to the travelling public in general. For the maintenance of the lines already opened and for the further expansion of the scheme, a lump sum provision of Rs 4·15 lakhs has been included in the budget for the next year.

41. *The State Land Mortgage Bank.*—The business of the State Land Mortgage Bank with all its assets and liabilities, is proposed to be transferred to the Travancore Credit Bank which, as the House is aware, was recently established as a Shareholders' Bank under Regulation IV of 1113 and which is expected to commence operations by about the middle of Chingom next. Provision has been made for the continuance of the

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